

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**APPLICATION OF EARTHSTONE OPERATING,
LLC FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 22814

**EARTHSTONE OPERATING, LLC'S
PRE-HEARING STATEMENT**

Earthstone Operating, LLC (“Earthstone”) submits its Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Earthstone Operating, LLC

ATTORNEYS

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INTERESTED PARTIES

Fasken Oil & Ranch

ATTORNEYS

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STATEMENT OF THE CASE

Earthstone applies for an order pooling all uncommitted interests within the Bone Spring formation underlying a 640-acre, more or less, standard horizontal spacing unit comprised of the E/2 of Sections 26 and 35, Township 18 South, Range 33 East, Lea County, New Mexico (“Unit”). The Unit will be dedicated to the following wells (“Wells”):

1. Charger 35-26 Fed 1BS Com 3H to be horizontally drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 35 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 26;
2. Charger 35-26 Fed 1BS Com 4H to be horizontally drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 35 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 26;
3. Charger 35-26 Fed 2BS Com 7H to be horizontally drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 35 to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 26; and
4. Charger 35-26 Fed 2BS Com 8H to be horizontally drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 35 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 26.

The completed interval of the Charger 35-26 Fed 1BS Com 4H well will be within 330' of the quarter-quarter section line separating the E/2 E/2 and W/2 E/2 of Sections 26 and 35 to allow for the formation of a 640-acre standard horizontal spacing unit. The completed intervals of the Wells will be orthodox.

Also to be considered will be the cost of drilling and completing the Wells and the allocation of the costs, the designation of Applicant as the operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 10 miles southeast of Maljamar, New Mexico.

PROPOSED EVIDENCE

Witness	Occupation	Estimated Time	Exhibits
Kevin Woolley	Landman	Affidavit	Approx. 6
Jason Asmus	Geologist	Affidavit	Approx. 6

PROCEDURAL MATTERS

Applicant will present this matter by affidavit if there is no opposition.

Respectfully submitted,

HINKLE SHANOR, LLP

/s/ Dana S. Hardy

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CERTIFICATE OF SERVICE

I hereby certify that on June 8, 2023, I caused a true and correct copy of this document to be electronically served on the following:

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
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QUESTIONS

Action 225503

QUESTIONS

Operator: Earthstone Operating, LLC 1400 Woodloch Forest; Ste 300 The Woodlands, TX 77380	OGRID: 331165
	Action Number: 225503
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	Not answered.
Testimony time (in minutes)	Not answered.